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SUBJECT: MFA OFFICIAL ON ILLICIT FINANCING COOPERATION AND
AF-PAK CONSULTATIONS

1. (SBU) Summary: China was willing to enhance its cooperation with the United States to combat illicit financing and terrorism, MFA Department of Asian Affairs Deputy Director General Sun Weidong told Treasury DAS Daniel Glaser October 19. Sun said the Chinese government was still going through internal deliberations regarding SRAP Holbrooke's proposal to send a working-level delegation to Washington for Af-Pak consultations. DAS Glaser outlined the work of the Illicit Financing Task Force (IFTF) on Afghanistan and Pakistan and urged China to send a delegation to Washington for Af-Pak consultations. End Summary.

China Willing to Enhance CT and AML Cooperation

2. (SBU) DAS Glaser underscored the importance of combating illicit financing in Afghanistan and Pakistan and outlined the work of the five sub-groups of the Treasury-led, interagency Illicit Financing Task Force (IFTF) on Afghanistan and Pakistan. DDG Sun responded that China placed great importance to the issues of anti-money laundering and counterterrorism, citing China's "active" support for these issues in the UN and regional organizations. Sun said China was willing to enhance cooperation with the United States on anti-money laundering and counterterrorism. Noting the good relationship between the U.S. Treasury Department and the People's Bank of China (PBoC), Sun suggested Treasury maintain close contact with PBoC on these issues. (COMMENT: DAS Glaser brought up enhanced cooperation on Af-Pak illicit finance issues with PBOC Anti-Money Laundering Bureau Director General Tang Xu at their October 20 meeting, but DG Tang did not show great interest in working with the U.S. Treasury in the area and referred Treasury to Chinese law enforcement agencies.)

China Still Studying Proposal for Af-Pak Consultations

3. (SBU) DAS Glaser urged China to send a delegation to Washington for working-level consultations on Af-Pak. Sun said China placed great importance to Ambassador Holbrooke's proposals for increased U.S.-China cooperation on Af-Pak, including the proposal for working-level consultations. The Chinese government was still going through internal deliberations regarding Ambassador Holbrooke's proposal and would make a decision after "carefully studying" the proposal. U.S.-China coordination served our common interests in stability and prosperity in Afghanistan and Pakistan, Sun said.
HUNTSMAN